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COMMERCIAL RELATIONS WITH CANADA AND EXTENSION
OF MARKETS FOR OUR PRODUCTIONS.

By a continental and truly American system, we, who occupy a central position between the North and South, should not only satisfy our own wants, but, through being the merchants and carriers for our neighbors on both sides, derive larger profits than any of them.

SPEECH
OF
HON. ELIJAH WARD,
OF NEW YORK,
IN THE
HOUSE OF REPRESENTATIVES,

FEBRUARY 21, 1877.

I look forward to that time in the not distant future when a truly fraternal comity shall prevail throughout this continent, from that habitable part of it which is nearest to the arctic regions to the tropics, and from the Atlantic to the Pacific Ocean, and when this sentiment shall find its natural expression, not in lawless and desolating expeditions or hostile inroads of any kind, but be manifested and continually increased by those peaceful exchanges of the products of human industry which yield profitable employment and make homes happy. Nature herself, in the varieties of climate and resources, has provided for this plan by permanent and beneficial laws, against which we make our temporary and destructive statutes.

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31

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Commercial Relations with the Dominion of Canada and the Extension
of Markets for our Productions.

SPEECH
OF
HON. ELIJAH WARD.

On the joint resolution (H. R. No. 14) providing for the appointment of commissioners to confer with similar commissioners appointed by Great Britain and ascertain on what basis a mutually beneficial treaty of commerce between the United States and Canada can be negotiated.

Mr. WARD. Mr. Speaker, to those who regard our commercial relations with Canada comprehensively and in a national spirit, without undue bias from minor matters of merely local or special interest, it is sufficient for me to point out the respective geographical positions of the United States and the Dominion, and the extent of the latter country. A straight line drawn from the northern boundary of Maine, near the headwaters of the Saint John's River, to Detroit, would pass entirely through Canadian territory. We are enabled more clearly to estimate the extent of this line, which is small in comparison with our northern frontier, when we see, as we may on reference to any map of this continent, that if continued for the same length onward from Detroit into the United States, it would reach a considerable distance southerly from the place where the Arkansas River flows into the Mississippi, and that if extended directly south from Detroit it would reach nearly to Tallahassee or the Gulf of Mexico.

Regarded from another point of view, it may be seen that the part of the Canadian territory south of a line drawn from the northern boundaries of Maine and Minnesota would exceed in breadth the States of Ohio, Indiana, Illinois, and Iowa, and would be equal in area not only to those States, but in addition to large portions of Nebraska, Missouri, Kentucky, Kansas, and Arkansas. A country of these vast dimensions, and under alien commercial laws, exists between all the New England States, New York, Pennsylvania, and Ohio, on one side, and Michigan, Wisconsin, Minnesota, and all the region west of them on the other. An equal area extended southerly would, with the exception of a few miles, separate by a broad barrier all our territory north and east of any point on the northern shore of the Gulf of Mex-

ico from all those parts of the Union which are northwest of it. What commercial advantages would not each State lose if Georgia, the Carolinas, Virginia, and Pennsylvania were thus widely separated from Mississippi, Missouri, and all that part of the United States west of them, and deprived of full and free commercial intercourse with the intervening region? The country thus separating these various States, if commercially isolated as far as Canada now is, would not only cease to be so vast a source of permanent and honorable profit to the other parts of the Union, but would itself, by its isolation, suffer in a greater proportion than the others. Such is the mutual injury continually inflicted on the people of both countries by the obstacles to the free exchange of the products of industry in the United States and Canada. Its bad effects would be more conspicuous than those of the imaginary condition I have endeavored to describe if the benefits of untrammelled commercial intercourse had ever been enjoyed. If to that part of Canada which alone I have brought under consideration we add the important maritime provinces of New Brunswick and Nova Scotia, and Manitoba and the immense territory of the northwest interior, and on the Pacific coast, the loss mutually sustained is seen to be yet more vast and to be continually increasing.

NATURAL INTERDEPENDENCE OF THE UNITED STATES AND CANADA.

Many considerations demonstrate the importance of the freest possible imports, exports, and transit between the United States and Canada. Not only does our warmer climate enable us to produce many articles not easily or profitably grown in Canada, yet necessary for the comfort of her people and for which she can give us valuable exchanges needed in the daily life of our citizens and as material for the manufactures we export, but our rivers, railroads, and canals are the only direct means she has of communicating with southern regions, while unfettered transit through her territory and the perpetually free navigation of the Saint Lawrence are conspicuous wants of the Western and Eastern States. The people of Canada, sprung from the same nations of western Europe as those whence we derive our origin, have all the characteristics of a commercial, enterprising, and progressive nation, however its manifestations may have been retarded by isolation from the remainder of the continent, and, favored by the resources of a new and broad territory, their products and exports are of greater value than those of a population of equal number but of any other race in the world. Already, though with inhabitants numbering less than one-twentieth part of those of Russia, Canada, yet a colony or possession of Great Britain, occupies the fourth if not the third rank among the nations of the world in the magnitude of her commercial marine. In the general education of the people modern Canada is unsurpassed. Separated as they are by

the Atlantic and Pacific Oceans from the nations of the Old World and enjoying the yet slightly developed advantages of their country, their rates of the wages of labor are on the whole not widely different from our own. From the greater part of the Canadian settlements, and at an average cost not far if at all exceeding that of the wages of an artisan for a single day, a man may come to the United States where he can earn such wages as are paid here and enjoy the advantages of republican institutions. In addition to these considerations, Canada is on the whole a forest and farming country, ready not only to sell us many of the bulky articles we need for common use or for exportation but also to receive in return those manufactures of which under the policy we have adopted we have a large surplus, and for which we have not yet found sufficient markets.

It has followed as a matter of course, from the relative positions of the United States and Canada and the distance of both from Europe and Asia with their dense populations, that their commercial relations have engaged the attention of the most sagacious statesmen and merchants of our country from the beginning of its history to the present time; and the advocates of the most liberal and intimate system of exchanges with the Canadians have been confined to no party, but have included in their number protectionists as well as free-traders. The advantages which, under a system of just and fair reciprocity, our own citizens and the people of the Dominion would mutually give and receive are at least, in proportion to their respective populations, as valuable as those which any States or groups of States confer upon each other by the unlimited freedom of trade between them, and these benefits are among the greatest derived from the Union and are the strongest bond for its preservation and perpetuity. The barriers to intercourse between our citizens and the Canadians are wholly artificial, the results of human law, and can easily be removed by mutual agreement and appropriate legislation.

HOW TRADE WITH CANADA IS REGARDED.

During the last twelve months the chief commercial bodies throughout the Northern States have passed resolutions earnestly in favor of the motion now before this House for the appointment of commissioners by the United States and on the part of Canada, through Great Britain, to inquire and ascertain by mutual investigation and conference how far it is practicable to extend our commerce with the Dominion.

In the States upon our northern frontier the advantages of an extension of our trade with Canada are, with perhaps a few local exceptions, highly appreciated by all thinking commercial men. A more complete system of the exchange of the products of labor between the two countries is warmly desired by the people of New

England at large—a sufficient proof that it would not injure our manufactures, but would inure to their benefit. The close contiguity of New England on her northern and eastern boundaries to Canada gives her people ample opportunities for judging accurately as to the practical effect of reciprocal trade; and the intelligence and habits of shrewd and careful calculation prevalent in New England give assurance that her chief men of business are reliable authorities on this subject. Their views, as presented by one of the leading members of the Boston Board of Trade and in substance applicable to nearly all the Northern States, are unequivocally that New England is greatly interested in the question of reciprocity. Her people depend largely for their success and subsistence upon being able to manufacture as cheaply as they can. They think, and none can contradict them, that the prime necessities of life, fuel and food, should be supplied to their laboring-men at the lowest practicable cost.

IN NEW ENGLAND.

The citizens of New England, knowing that between them and the Canadians there are no barriers except those of an artificial nature, regard their neighbors in the provinces as their natural or legitimate customers. The representatives of the Boston Board of Trade assert that the people of Massachusetts are deeply impressed, as many others are in all parts of our country, with the fact that difficulties and depreciation are besetting every branch of industry. These formidable disasters are not confined to their great cities, but even in the small manufacturing towns also are found people seeking for work, and the general cry is, "It is our trade relations that are wrong and unsound; what have you to suggest to lift us out of this slough of despond?" The most obvious remedy for all this distress is to increase the sales of manufactures to our neighbors and the supply of raw materials from them.

IN NEW YORK.

The chief commercial associations in the city and State of New York substantially and emphatically concur in the views presented by the board of trade. The people of that State, like those of every other commercial and manufacturing part of the Union, suffer by the exclusion of Canadian products from our markets and the restrictions upon the exportation of our manufactured articles of foreign origin to Canada. Through duties on Canadian grain, we cut off an enormous trade which would naturally and with mutual benefit to the people of both countries pass through our territory, paying freight to owners of our railroads and canals and giving work and wages to vast multitudes of men now in need, and adding to the profits of our shippers and merchants, besides, through increased employment, enlarging the demand for the agricultural and other products of the regions through which they pass. What in these respects is true of the city

and State of New York is also true of Philadelphia and Baltimore and the States of Pennsylvania and Maryland. The latter, more remote from Canada, have not so clearly perceived the advantages of being enabled, with fewer or diminished impediments, to sell to her the products of their workshops or their imports from Europe and the regions of the tropics. Railroads, now giving such easy access from Baltimore and Philadelphia to the interior of the continent, have placed within their reach new advantages as regards trade with Canada which they do not yet adequately appreciate but are already of much importance and will continue to increase for centuries to come.

It is not surprising that the merchants and manufacturers of New England estimate at its real importance an extension of trade with Canada, a country not only contiguous to their own for many hundreds of miles, but for a considerable distance intervening between their territory and the ocean, and so near to them that a man may stand with one foot on each side of the dividing line. Yet as Canada is no mere eastern province, but extends across the continent from the Atlantic to the Pacific Ocean, and the best and most fertile parts of the Dominion are in the interior, her trade is no more important to New England than to any other part of the Union. While sugar or coffee, if sent by the Saint Lawrence route and through Quebec and Montreal to Toronto, must be carried more than three times as far as if sent via New York and at an enormously increased expense, the same causes operate constantly and must ever continue to do so with regard to Baltimore, Philadelphia, New Orleans, and all other southern ports in connection with Western Ontario, Manitoba, and other inland regions of the British possessions. If such a continental system as I desire to see should be established, no cities would feel its stimulating influences in greater force than Saint Louis and Chicago. The latter perhaps would be its heart and center.

BY OTHERS WITHOUT DISTINCTION OF PLACE OR PARTY.

I have endeavored to present the facts in the most simple form. As the resolutions I offer in regard to them have been approved by the various local commercial bodies of the United States to which they have been presented, from Chicago and Milwaukee to Boston, without partisan considerations, and, so far as I know, with any dissentient voice, so also were they unanimously recommended at the last meeting of the National Board of Trade, an association which attracts to its councils leading merchants and manufacturers from all parts of the Union. It includes alike among its members free-traders and protectionists. Several of the latter took special pains to state in explicit terms and the strongest language that they were "protectionists from the soles of their feet to the crowns of their heads." but they all without any exception advocated the unequivocal and entire adoption

of the resolutions now before the House in favor of reciprocity with Canada. The opportunities of gaining immense business advantages for the people of both countries are too open and manifest to be successfully or candidly denied by any one who in a patriotic and national spirit has made any fair examination of the subject. It is entirely a matter of business, partly in those details with which merchants are most conversant and extending also into those more extensive principles and arrangements which are based on the broadest and most comprehensive considerations of statesmanship. The resolutions simply provide that a few sensible practical men, the best we can select, on our side, shall meet others of the same character appointed on behalf of Canada and ascertain how far the mutual interests of the people of both countries can be advanced. It is certain that if we are true to ourselves we can furnish citizens who will prove the equals of the representatives of the Canadians in knowledge, skill, and sagacity, and will report to our people whatever good can be derived under circumstances so favorable. Their suggestions will be submitted to Congress and the country and will be of no avail unless they obtain the approval of the National Legislature and the enactment of appropriate laws. The issue is not, as some seem to think it must be, which side can take the most shrewd advantage of the other, but how far the natural and gratuitous bounties offered by Providence to the people of both countries can be best developed for their permanent and mutual benefit. The resolutions go no further than this. They do not aim at carrying into effect any special theory. The commissioners intended to be appointed would enter upon their inquiries and consultations without any undue bias and with the whole field of investigation and conference open to them. There are no commercial barriers between the two peoples except those which are created by man and can be removed by mutual agreement and legislation.

The question is, in brief, whether with a conterminous country, inhabited by people almost identical with ourselves in education, language, origin, and character, and where wages, controlled by the necessary demand for labor in a new country with vast undeveloped resources, do not differ much from those given and received in the United States, we cannot profitably enlarge the exchanges of our products. The arguments of those who oppose the resolutions are and must be founded on local and petty interests. Carried to their logical conclusions, they would prove that it would be better for us if an open sea existed on the north of the United States instead of a fertile country with a population scarcely surpassed in intelligence, enterprise, and industry by any on the face of the globe.

CANADA COMPARED WITH THE HAWAIIAN ISLANDS.

During the last session of Congress a treaty for the reciprocal extension of trade between the United States and the Hawaiian Islands

was approved by Congress, and it has now become part of the laws of the land. Although its advantages were in some degree local and accrued primarily and chiefly to the benefit of the Pacific States, the welfare of each State is so essentially an integral part of that of the whole Union, the material gain derived by the people at large from the prosperity of each State is so great and manifest, that I gave the treaty my warmest support. It provided for a not unimportant extension of the demand for our manufactures.

Several military and political considerations also prompted me to advocate the measure. Their weight was duly appreciated by many of an opposite political party who hold what are called protectionist doctrines but perceived that they did not apply to the case then under discussion. It should be gratifying to every good and thoughtful citizen that, so far as a few small and remote islands in the Pacific Ocean are concerned, the interests of our suffering people were not neglected and that such legislation was adopted as is likely to create an increased demand for the productions of their agricultural and manufacturing labor, and, in the far-distant future may confer naval and military advantages on the United States.

From every possible point of view our relations with the Hawaiian Islands shrink into absolute insignificance when compared with those between the United States and the Dominion of Canada. Every military, naval, and commercial reason for which it is desirable that we should cultivate intercourse with the far-off islands of the Pacific applies in a different form but with incalculably increased force to our connections with our next-door neighbors on the north. The Hawaiian Islands are distant some three thousand miles from that part of our country which is nearest to them. Canada is so near to us that for many thousands of miles her territory is separated from our own only by an imaginary or mathematical line, and a man may stand at his ease in each country simultaneously. This contiguity extends, not in a straight line, but with indentations nearly doubling its length, from one side of the American continent to the other at the broadest part of our broad land. Where our countries do not thus touch each other they are separated only by lakes and rivers which in some respects furnish increased facilities for intercommunication. At various points railroads cross the boundary, thus binding the people together, if not with links of steel, with bands of iron. It would have been unwise to overlook the benefits which will accrue to us from the treaty with islands in the ends of the earth; but who can say how much greater folly and injustice we commit toward our own citizens by an illiberal and exclusive policy toward the millions whose homes are close to our own?

It was argued, and I do not disparage the force of the reasoning, that if we did not enter into a friendly commercial treaty with the

Hawaiian Islands they would pass into the hands of some foreign power, and thus our influence would be weakened, and, in case of war, expeditions against us might be fitted out from the islands. Canada is under the sovereignty of that nation which, by means of her vast naval power, might, if war arose, be our most formidable antagonist. The population of the Dominion, already greater than that of this country at the time of the Revolution, will not only, as the settlement of the vast northwest increases, be as large as that of this country now is, but be computed by the hundred of millions, and be far more nearly equal to our own in the future than is now usually supposed. It should be unnecessary to dwell longer on this part of the subject. Regarded simply as a matter of military policy, the friendship of Canada is not only more important to us than that of the Hawaiian Islands but of any other power whatever on either side of the Atlantic.

ENORMOUS VALUE OF OUR PRESENT EXPORTS TO CANADA.

From the same causes which render our relations with Canada more important than those with the Hawaiian Islands in a military point of view—her contiguity to the United States, the extent of her territory, and the character of her population—the almost incomparably greater value of her trade to us in the future is also demonstrated. The comparison of the trade of the two countries with us at present admits of an approximately exact arithmetical proof. In the last calendar year of which at the present time we have any authentic commercial record, our exports to the Hawaiian Islands amounted to \$783,561, while those to the British North American colonies during the fiscal year corresponding most nearly with that period were nearly fifty times as large, having been at least \$38,296,531. Our exports to Canada included grain and flour to the amount of nearly twelve millions of dollars; of animals and their products the amount was \$4,398,060; of raw cotton, \$556,340; of coal, over two millions, and of timber, \$541,151. Our manufactures exported to Canada included cotton goods to the value of \$673,031—nearly as much as all our exports to the Hawaiian Islands added together—glassware, \$416,708; manufactures of iron and steel, \$3,377,913, and of wood, \$1,376,611. These are all our own manufactures, exclusive of commodities of foreign origin. Altogether the value of our own manufactures exported to the Dominion, exclusive of coin and bullion, in the fiscal year 1875 was, as shown by our own reports, \$10,197,580. Doubtless the actual amount was much larger, the accounts of exports being, probably in all countries, less accurately kept than those of imports. In the fiscal year 1876 the aggregate of the imports of all kinds to the Dominion from this country was no less than \$44,093,073, of which more than half were admitted free of all duty whatever and the remainder at duties which, compared with those we exact on similar productions from Canada, appear insignifi-

cant. They largely exceed those imported into Canada from Great Britain or any other country, and yet the duties collected on imports from Great Britain exceed those collected on imports from the United States by nearly one-half.

EXPORTS OF OUR MANUFACTURES TO CANADA.

In specifying the amounts of several of our productions and manufactures exported to Canada I have adhered to our own accounts, but, as may be seen on reference to the report of the Chief of the Bureau of Statistics on commerce and navigation for 1875, and the report on the finances for 1876, it is almost if not quite impossible to obtain full and accurate statements of our exports to Canada from our own authorities. The chief defect is that railroad cars and other land vehicles passing into adjacent territory are not required to file lists or manifests of lading similar to those required from vessels clearing for foreign countries. Hence our own returns inadequately and grossly misrepresent the real value of our exports to Canada. As duties on many of these articles are collected in Canada, accounts of them are more strictly kept in that country, although even there, owing to smuggling and undervaluations, they doubtless fall short of the real amounts. It is shown by the official statements of the commissioner of customs of the Dominion, that the value of articles produced in this country and exported to Canada, but omitted in the returns of our custom-house officers, was, in 1874, \$11,424,566; in 1875, \$15,596,524; and in 1876, \$10,507,563. Most of these exports consisted of manufactures of cotton, wool, iron, copper, &c. How far our own reports, considered by themselves, are likely to mislead, may be inferred from the fact that to the amount of our exports of cotton manufactures in the year 1875, which was \$673,031, as I have already quoted, should be added \$918,813—making a total of \$1,591,844; and to \$3,377,913, the value of our manufactures of iron and steel exported to Canada, as shown by our own reports, should be added no less than \$3,455,736, altogether \$6,833,649 in this branch of manufactures alone. Similar proportions may be observed as to other exports, but it is needless to multiply details. It would be useless to argue further with those who do not see that such a market for our manufactures should receive attention and encouragement from every true friend of the people.

AN ESTABLISHED PRECEDENT.

Surely it is needless to urge that, if the Hawaiian treaty was worthy of approval by a triumphant majority, better opportunities of extending our commerce and beneficent influence nearer home and on an enormously larger scale should not be neglected. But I regard it as an auspicious omen that so large and influential a portion of the party in power, visiting in imagination the genial climes of the Hawaiian Islands, should have overcome the theories and prejudices

through which more important subjects are mistily regarded, and, so to speak, have picked up a shell "on the shore of the great ocean truth." Remembering some of the advances made in physical science since the great philosopher so modestly described his own merits and discoveries, I regard the Hawaiian treaty as a precedent fraught with great advantages to the agricultural, manufacturing, and commercial interests of all parts of our country. I trust it will be the means of directing public attention to practical and easy, because mutually beneficial, methods of adjusting affairs with our neighbors, both North and South. As far as an extension of our trade with them can be carried into effect it cannot fail to be profitable to all parties to the arrangement. Our policy should be not to tax our own citizens to pay others for entering into our Union and enjoying its advantages, nor to incorporate with ourselves alien countries whose people are not in harmony with the spirit and requirements of our institutions, but simply to extend our commercial relations with them. We should thus acquire the chief benefits of actual ownership without its disadvantages. It is a necessary counterpart of the Monroe doctrine, prohibiting the interference of the Old World in the internal affairs of this continent, that we should study to promote the interests of the other American States and extend the exchange of the respective products of their labor and our own.

OTHER TREATIES FOR TRADE.

How vast the beneficial commerce between the United States and the Dominion might by this time have become if, instead of merely abrogating the former treaty, we had endeavored to improve it, or substitute for it one of more perfect reciprocity, we can now only conjecture. Practically for the time we threw aside its lessons. By others they were heeded and yielded abundant fruit. During the visit of Richard Cobden to this country in 1860 his attention was pointedly directed to the treaty then in operation between us and the Canadians. Whatever objections he entertained to such measures were fully removed by M. Chevalier, who represented the interests of France. The result was the memorable arrangement between England and France, which was speedily followed by similar treaties between other countries, and not less than fifty or sixty in number. It is the custom with a certain class of theorists to represent that in the negotiations between England and France the former was the victor and the latter a dupe. In fact both countries gained enormous advantages. A friendship arose between those two nations which is warmer and more durable than has ever existed at any other period of their history. Among the causes which have contributed to the marvelous recuperation of France and the welfare of her people none has been more powerful than her commercial treaty with England.

her largest and most profitable customer, with whom her trade is nearly twice as large as with any other country, and more than four times as large as with the United States.

The exports of France to Great Britain and Ireland in 1852 amounted to about thirteen millions of pounds sterling, and in 1875 to nearly forty-seven millions. The exports from Great Britain and Ireland to France increased during the same time in a smaller ratio, or from nine millions to twenty-seven millions. Tried by the protectionist theory of what is sometimes called the balance of trade, France has enormously the advantage, but only so far as her customers in Great Britain and Ireland are enabled to buy cheaper from her than they can buy elsewhere. The late Emperor Napoleon fell in a manner likely to drag down with him any cause that he had espoused, and M. Thiers, the chief statesman who succeeded him, was at least as decidedly against the treaty as the emperor had been in its favor. But the proof of its benefits had grown plain and palpable, the interests it served were too numerous and powerful to be subverted, and M. Thiers was reluctantly compelled to yield to them.

PREVALENT DISTRESS AND A REMEDY.

Notwithstanding the obstacles we have so long interposed, our trade with Canada in 1875 amounted to over \$78,000,000. According to the most reliable statistics, taking the imports into each country from the other as they are shown by the records of its own custom-houses, the trade between the two countries in 1874 and 1875 averaged more than \$90,000,000 in each year. Our exports to Canada alone have for many years been four or five times as large as to Russia and much larger than those to any other country in the world, except only Great Britain, France, and Germany. In the opinion of many who are best qualified to judge on the subject, this vast aggregate of our exchanges with Canada, each representing a transaction mutually beneficial to some of the people of both countries, would soon be doubled if the existing restrictions of the custom-houses on both sides of the frontier could be removed. Is this prospect or are the facts as we now find them to be thrust aside as if of no moment in the present depressed condition of our trade and manufactures? Year after year the plight of our laboring-men throughout the country, and especially in the regions dependent upon manufactures and commerce, has grown worse and worse. Year by year since 1872 the attractions presented to the laborers of Europe have sensibly diminished, until, in the last fiscal year, the immigrants to our shores were less by nearly three hundred thousand than they were four years ago, the actual reduction within that time having been from 437,750 to 169,986. These new-comers go, it is to be supposed, to friends who are ready to receive them chiefly in those parts of the country least affected by the prevalent distress.

We are all familiar with the accounts of unparalleled and increasing destitution among our own working population. Let not repetition dull our minds so that we cannot see, nor steel our hearts so that we cannot feel the force of facts so often told and so well authenticated. In some of our largest cities the present is the third winter when two-thirds of the unskilled laborers have been unable to find employment. Multitudes of temperate, industrious, and well-trained mechanics, and of young women, with honorable independence of character and sensitive about receiving charity in any form or shape, have lost all hope, and in the depth of destitution and despair are begging to be saved from lingering death through hunger by being sent to places intended for the reception of vagrants and criminals.

LONG NEGLECT OF OUR MATERIAL INTERESTS.

During the seventeen years through which the party yet remaining in power has held the reins of Government, there has been a conspicuous and complete neglect of all the chief means for restoring prosperity to our people. The return to specie payments has chiefly, except when it has been prevented by legislation, been left to the slow progress of natural laws of finance. Nothing, if we except the reduction of wages and the increased destitution of our laborers, has been done to promote ship-building and give us again our former commercial eminence and prestige on the ocean. Except in the minute and peculiar instance of the Hawaiian Islands, nothing has been done to extend the markets for the production of our fields and manufactories. In view of the present wide-spread misery we who are placed here to frame laws for the benefit of the people shall be worthy of the most severe condemnation if we neglect to give our best attention to such enactments as will yield food and work to the suffering masses. Among the most obvious of these measures is such an extension of our trade with Canada as will yield us a larger amount of grain and other necessities of life, increase the use of our leading thoroughfares in the North, and enlarge the outlets already existing in the Dominion for our manufactures. We see that the opportunity is open to us in the relative geographical positions of the two countries, and that even under the present restrictions the exchange of the products of labor between them is enormous. We have also confident assurances in the settled, firm, and stable character of the Canadian government and people, and their frequently expressed desire to ascertain by mutual conference with us how far our commercial relations can be emancipated and extended. This desire has been repeatedly shown in the newspapers of Canada, the resolutions passed by her boards of trade, and the authentic and official statements of her government itself.

THE WISHES AND TARIFF OF CANADA.

The Dominion board of trade at every one of its meetings has ex-

pressed an earnest and intelligent desire for an extension of trade with us, and in every instance has coupled the expression of the desire with that of a belief that the first official proposal for it should come from the Government of the United States, offers made by Canada having been regarded with so little attention on this side of the frontier. A leading representative of Canada, at the meeting of our own National Board of Trade in New York last summer, reiterated these views and no doubt uttered the general sentiment of his countrymen when he confidently assured his hearers that if Congress should adopt the resolutions now before this House for the appointment of commissioners, the Canadian government would "likewise appoint a commission, and we should for the first time since the abrogation of the old treaty have business men to sit down together, talk the matter over fairly and squarely as a practical question, deal with all its difficulties, and, if possible, bring about a treaty which will be mutually satisfactory to both countries." The Canadian minister of customs, privy council, and present governor-general have at different times fully concurred in these views, the governor-general himself in council having formally promised "that should the Government of the United States comply with the wishes expressed by the National Board of Trade the subject will receive the fullest consideration of the government of Canada."

At the time of the abrogation of the old treaty there was much just reason for the complaint of the illiberality and unfairness of the Canadian tariff on many of the productions of the United States. But all that has now been reversed. We impose on all kinds of Canadian grain and flour a duty so heavy as to be nearly prohibitory, with the single exceptions of barley and some peas, for the production of which the soil and climate of Canada and the habits of her farmers, or all these causes combined, are especially favorable. Nearly all the articles admitted into Canada free of duty under the old treaty are now admitted there free of duty, while on our side they are heavily taxed. Although Canada is an integral part of the British Empire all the manufactures of the United States are admitted there upon the same terms as those of any other colony and of Great Britain herself. The old colonial restrictions have passed away and become obliterated by the advancing power of a more enlightened policy.

MODERN POLICY OF GREAT BRITAIN.

The views I advocate have sometimes been met by the objection that whatever might be mutual interests of the United States and Canada Great Britain would not permit them to be harmoniously developed. I think there is no reason to apprehend any real difficulty on this score. If the interests of Canada are stifled and oppressed, let us be certain that we are not the wrong-doers and that the blame is put on the right shoulders. A brief review of the history of the

colonies throws much light on our policy in regard to them. For the last half century they have made steady and accelerated progress toward greater freedom and independence. The measures adopted by Great Britain have undoubtedly encouraged the movement.

Soon after the first American colonists from Great Britain had surmounted the difficulties and hardships of the earliest settlements, in the regions which are now the United States, and had begun to accumulate wealth, the exclusive system was applied so far that few articles could be exported from the colonies to any other country without being first laid upon the shores of Great Britain. Next, the colonists were compelled to buy solely from British merchants, and their importations could only be made in British ships, "it being the usage of other nations to keep the plantation trade exclusively to themselves." Even the excellent Lord Chatham, distinguished as a friend of the colonies, was so far imbued with the common heresies of his time as not to hesitate in declaring that "the British colonies in North America had no right to manufacture even a nail for a horse-shoe;" and Lord Sheffield only expressed the general opinion of his day when he affirmed that "the only use of the colonies and the West India Islands is the monopoly of their consumption and the carriage of their products." On all these points increased enlightenment has effected a quiet revolution. The monopoly of the colonial trade was found to be as unprofitable to the oppressor as to the oppressed, and confirmed progress has been made in those views of public policy which are inextricably blended with magnanimity and liberality.

SUBSTANTIAL INDEPENDENCE OF CANADA.

A few years ago the government of Canada, through its financial minister, emphatically declared the right of the people of that country to decide for themselves, in all respects, the mode and extent to which taxation shall be imposed on them. The British government was warned that serious evils and future complications would result from any opposition to the rights thus asserted; and the Canadian government congratulated itself that the British ministry of that day "have been obliged to admit that we were in the right, and that any assumed interference with our rights and privileges is not for one moment to be entertained." Thus the practical rights of self-government, only obtained by the United States through revolution, were quietly conceded. The most striking point in this illustration of the reversal of the ancient relations of Great Britain and her colonies is not merely that so great a concession was made to the colonies, but that the point in dispute was an order in council disallowing a bill inflicting certain disabilities on the shipping of the United States.

The people of Great Britain have discovered that their own capitalists and laborers were injured by forcing the trade of the colonies in artificial directions and withdrawing it from the natural and really

beneficial pursuits in which it would have been employed. The revolutionary war in the United States strengthened these impressions. It was found that the independence of the United States and their consequent prosperity contributed materially to the well-being of Great Britain, whose tax-payers were relieved from the expense and trouble of governing distant and extensive regions, while the benefits of intercourse with them not only remained but were augmented. The belief has become more and more prevalent in the mother-country that the means by which she can most securely and profitably derive the elements of real prosperity from her colonies is by permitting them to direct their industry into those channels which their natural position and advantages indicate as the most remunerative.

On the one hand concessions were made to the colonists by permitting them to resort to the markets of the world and tax British manufactures; on the other, the British people were gradually emancipated from the oppressive taxation which gave the colonies special privileges in Great Britain itself. The latter was at first especially conspicuous as to the indispensable articles of grain, flour, and lumber.

The military and naval defense of the colonies remains as the only substantial relic of the ancient policy. The consideration given for it is withdrawn. It remains as a tax on the people of Great Britain without affording them any adequate compensation, and the declarations of their leading statesmen of all parties, the actions of their government, and the tendencies of public opinion clearly indicate the early termination of this anomalous and inconsistent condition. The time is approaching when, as the most zealous defenders of the old colonial system have admitted would be the case, it will be found that "it is all of a piece and must either stand or fall together."

So evidently correct are the frequent assertions of Canada that her government, acting for her legislature and people, must, whatever may be the deference they owe to the imperial authorities, decide for themselves as to all matters connected with the tariff, and so completely has the principle thus announced been carried out in legislation, that Great Britain, in reply, is throwing the naval and military defense of the Canadians upon themselves.

OPINION OF LEADING BRITISH STATESMEN.

A former governor-general of Canada substantially declared in the Imperial Parliament that if Canada should ask for independence the request would readily be granted. If we look among those British statesmen now living and who for many years have been leaders in the actual and progressive career of their country, and whose influence was never more completely manifested than in the recent change in her European and Asiatic policy, we find in their public speeches the most creditable and liberal expressions regarding the

commerce of the United States with Canada and the relations of Great Britain with the latter. The profitable and humanizing effects of the commercial treaty between Great Britain and France point out significantly and decisively how valuable a judicious commercial treaty between the United States and Canada would be, not simply in increasing sales but in promoting the advancement of the soundest doctrines of civilization and international good-will.

I know of no expressions of modern statesmanship better worthy of being borne in mind by every American citizen, and regarded as axiomatic in our conduct toward our sister-States and Canada, than those terms of glowing eloquence in which Hon. John Bright depicted his hopes that the day might come when the whole of this vast continent might become one great federation of States, and, free from military control, without a custom-house inside through the whole length and breadth of its territory, but with freedom everywhere, equality everywhere, law everywhere, peace everywhere, would afford at least some hope that man is not forsaken of heaven and that the future of our race might be better than the past.

The Right Honorable W. E. Gladstone, when premier, speaking in a debate in the House of Commons, lamented that it had been the fate of the transatlantic possessions of European nations that in every instance when they had reached maturity separation had been carried out by war or bloodshed, leaving behind them feelings of pain, hatred, or shame. He declared the true policy toward Canada to be that if separation should arrive it may come in a friendly, and not a hostile, form, but in true accord with the best spirit of the age.

OUR POLICY AS IT OUGHT TO BE.

It seems to me that we do not in our statesmanship adequately recognize and appreciate the relations actually existing between Great Britain and her North American possessions or adapt our policy to the facts as they are. One of the main errors of Great Britain in her treatment of those colonies from which our Union was formed was the discouragement of their industry except so far as it was subsidiary to her own. Perhaps no part of her conduct toward us was more unjust or injurious, or contributed more powerfully to the causes of the Revolution. I fear that the recollection of it, ranking in our memories, has sometimes led us to such legislation in commercial affairs as we have been satisfied to think must be beneficial to ourselves because it is inconvenient or prejudicial to others. This is one of the most prevalent and pernicious sophistries by which mankind has ever been deluded and afflicted. Let us look to ourselves and take heed lest in our day, in the plenitude of our power and at a more enlightened period of the world's history, we in our commercial treatment of weaker neighboring States fall into the same kind of error as that which Great Britain practiced toward us, but has utterly

discarded in her modern treatment of her colonies. Canada, it is true, is not our possession, but as compared with the United States she is practically in her infancy. In refusing even to consider by what means our trade with her can be increased with mutual benefit to the people of both countries we follow the evil example set us in a more aggravated form by Great Britain in the early days of our own history.

SELF-REFUTED ERRORS.

Sanguine and vivid expectations have been entertained by some who laid claim to profound knowledge and statesmanlike views, but who have lived to see the error of their hopes, that by a rigorous and exclusive policy Canada would speedily be compelled to implore annexation to the Union. The time, it has been publicly said, before she would thus be brought on her knees was so short that it should be counted by months, and not by years; but time has only made more evident what was from the beginning sufficiently obvious, that the Canadians, being of the same human nature with ourselves, actuated by similar sentiments and passions, are repelled by repulsion while they might be attracted by a friendly and liberal policy which through a natural and interminable series of profitable transactions would bring people already homogeneous more and more into communication with each other.

SENTIMENTS OF THE UNITED STATES TOWARD CANADA.

It cannot be said that there is any real want of friendly feeling in the United States toward the Canadians. Many of them migrate to this country, and are soon scarcely distinguishable from our native-born citizens, not a few of whom have taken up their abodes in the Dominion and become prosperous and prominent. If Canada should be oppressed and to gain her liberty and rights be driven to arms as we were at the time of the Revolution, our sympathy from one end of the Union to the other would not merely be sentimental, but would evince itself by practical demonstrations at every point of our frontier. Happily for all the parties concerned, the prospect of any such contingency has long passed and the appropriate way of testifying our good-will is not by self-immolation in the loss of ^{the} material wealth, but by the sacrifice of an old prejudice and an outworn theory and the adoption of such commercial measures as will promote our interests as well as those of our neighbors.

THE CORRECT VIEW OF TRADE WITH CANADA.

I have said that Canada has wisely pursued a more liberal course toward the United States than we have toward her. She admits our manufactures on equal terms with those of Great Britain, and at very moderate rates of duty. The chief products of our agriculture are admitted free of all duty whatever. At the same time this liberality redounds to her benefit. She is studying her own interest. By charg-

ing no duties on our flour, wheat, corn, and other grain she obtains a large surplus for exportation and encourages transportation and the profitable employment of her people from one end of her railroads and canals to the other. She finds her own profit in all this. The prices of wheat, flour, corn, cheese, and cut meats are telegraphed to this side of the Atlantic and regulate our own. They are posted up and proclaimed in our leading marts of trade. Even in fresh meats a vast trade with Europe is rapidly progressing. Immense quantities are weekly exported from the United States and Canada, and in a few years Great Britain will be at least as dependent on this continent for her supplies of fresh beef and other meats as she now is for breadstuffs. As the prices in foreign markets mainly determine those here and in Canada it is suicidal to many of our mercantile, manufacturing, and carrying interests and beneficial to no other interests whatever to charge duties on the importation into this country of the farming products I have named, and the list could be very widely extended. Our exportations to Canada of all these articles is enormously greater than hers to us, and it is created mainly by the exportations to Europe which we impede by our laws while Canada gives facilities for them. For instance, in 1875 our imports of wheat from Canada under our tariff amounted, according to our official statistics, to only \$296,588, while our exports to her were of the value of \$6,070,167 in gold. A certain class of theorists may think they detect in this a very favorable balance of trade. In reality it represents how much of our wheat was exported to Europe by Canadian routes. The enlargements now in progress on the Canadian canals will force public attention to these facts. We ought to be prepared to meet them in advance. When our ports were open to the free admission of Canadian wheat our forwarders and merchants and their employes reaped the profits. There was also a local benefit to our millers and many communities. Thus when I speak of a liberal policy I do not mean that of self-destruction or sacrifice of our own interests, but one in which the benefits of mutual profit are recognized, a belief with which the issues of individual and national well-being are most intimately connected, and that short-sighted view—the most pernicious and perhaps the most common of all political errors—that the gain of one man or nation must be the loss of another, is discarded.

WHAT PROTECTION MAY BE IN CANADA.

Besides the additions to our direct exports and the increase in the sales of our manufactures both to Canada and, through a better supply of raw materials, to other countries, which might be secured by means of a fair treaty of commerce with Canada, other points demand our consideration. Year after year the Canadians have continued their liberal treatment of our trade and manufactures in the

hope that the whole system of commerce might be remodeled between us with due regard to the interests of both countries, but incited by our large exportations the protectionist theories grow yearly stronger and stronger in Canada and if her people should adopt a system of what are sometimes called "reciprocal duties," charging on our productions the same duties as we levy on hers, the result would be ruinous and almost prohibitory on our exports to her. If, on the other hand, the Dominion should renew, as is sometimes suggested, a closer connection with Great Britain, the trade between those two countries might become as free and untrammelled as it is between all the States of our own Union. In this event it would manifestly be impossible to check smuggling on an enormous scale from the Dominion into the United States. The difficulties already attending a proper surveillance of our northern frontier were lately described by the Secretary of the Treasury as being in some respects insurmountable. In the contingency to which I have alluded an addition of several thousands of men to our revenue service, with the accompanying expense, would not suffice to prevent a vast illicit trade, with demoralizing effects on our people and incalculable injury to our revenue.

CONCLUSION.

I look forward to that time in the not distant future when a truly fraternal comity shall prevail throughout this continent from that habitable part of it which is nearest the arctic regions to the tropics, and from the Atlantic to the Pacific Ocean; and when this sentiment shall find its natural expression, not in lawless and desolating filibustering expeditions or hostile inroads of any kind, but be manifested and continually increased by those peaceful exchanges of the products of human industry which yield profitable employment and make homes happy. Nature herself in the varieties of climate and resources has provided for this plan by permanent and beneficial laws against which we make our temporary and destructive statutes. From such a continental and truly American system, we who occupy a central position between the North and South should not only satisfy our needs, but by being the merchants and carriers for our neighbors on both sides derive larger profits than any of them. Because in population and power we are the foremost nation of the continent, it becomes our duty to ourselves and to others to take the lead in giving practical development to the bounties which Providence has placed within our reach. The first step toward its attainment is by ascertaining definitely through inquiries made by efficient and reliable commissioners how far we can extend our commercial relations with Canada, whose people and government invite us not less by their stable, intelligent, and progressive character than by the assurances they have already more or less formally given us. On all affairs of for-

eign policy this opportunity of cheapening the materials of our manufactures and extending our markets is the most important Next to integrity in our Government and the preservation of our liberties, no subject more deeply concerns the interests of the people. My motion is simply for the appointment of a commission of inquiry. It is so far as I know unanimously approved by the leading commercial and business men of the country without distinction of party, and should meet with the same just consideration from both parties in this House.

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